

# MAYOR & COUNCIL AGENDA COVER SHEET

**MEETING DATE:**

May 1, 2006

**CALL TO PODIUM:**

**Margaret Kee**  
**Human Resources Director**

**RESPONSIBLE STAFF:**

**Margaret Kee**  
**Human Resources Director**

**AGENDA ITEM:**

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
	Public Hearing
	Historic District
	Consent Item
	Ordinance
<b>X</b>	Resolution
	Policy Discussion
	Work Session Discussion Item
	Other:

**PUBLIC HEARING HISTORY:**

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	
Hearing Date	
Record Held Open	
Policy Discussion	

**TITLE:**

Resolution of the Mayor and City Council of Gaithersburg  
Authorizing the City Manager to Amend the City of Gaithersburg  
Self Insured Dental Plan for Qualified Employees

**SUPPORTING BACKGROUND:**

The City is self-insured for its dental coverage (Assurant Employee Benefits is the third-party administrator). Except for adding a PPO (Participating Provider Option) to the indemnity plan last year, dental insurance benefits for City employees have remained relatively unchanged since the plan was initiated more than 20 years ago.

Staff conducted an analysis of the dental plan to evaluate the scope of benefits and plan design in meeting the needs and objectives of City employees and to compare the benefits to those offered in neighboring jurisdictions. Based upon that analysis, staff recommends these amendments to the City's current dental plan:

1. Change the plan design from a two-tier plan to a three-tier plan, offering single, two-person, or family coverage to all qualified employees. This will make the City's dental insurance plan consistent with the medical insurance plan.

2. Change the current policy of paying 75 percent of the cost of single dental insurance coverage and 50 percent of the family dental insurance coverage to paying 85 percent of the coverage premium in each tier (single, two-person, or family) for all qualified employees. This will also make the City's dental insurance plan consistent with the medical insurance plan.

3. Change the annual maximum allowed benefit from \$1,000 to \$2,000. The maximum allowed benefit under the indemnity plan has not changed since the benefit was created; and the staff analysis determined that the current benefit is low compared to most plans offered by other jurisdictions.

**DESIRED OUTCOME:**

**Vote on Resolution**

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE MAYOR AND CITY COUNCIL  
OF GAITHERSBURG AUTHORIZING THE CITY MANAGER TO  
AMEND THE CITY OF GAITHERSBURG SELF INSURED DENTAL  
PLAN FOR QUALIFIED EMPLOYEES

WHEREAS, staff has conducted an analysis of the City of Gaithersburg's Self Insured Dental Plan; and

WHEREAS, the analysis evaluated the scope of the Plan's current benefits and plan design in meeting the needs and objectives of City employees, and offered recommendations and advice concerning possible changes to the existing plan; and

WHEREAS, based upon the analysis, the Mayor and City Council believe it to be in the best interests of the City and its employees to amend the Employees' Self Insured Dental Plan:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of Gaithersburg, that the City Manager be and he hereby is authorized to amend the City of Gaithersburg Employees' Dental Plan to:

1. To change the current plan design from a two tier plan to a three tier plan.
2. To modify the City's current policy of paying 75 percent of the cost of single dental insurance coverage and 50 percent of the family dental insurance coverage, to paying 85 percent of the coverage premium in each tier (single, two-person, or family) for all qualified City employees.
3. To modify the current plan design from an annual maximum allowed benefit of \$1,000 to annual maximum benefit of \$2,000.

ADOPTED by the City Council this 1st day of May, 2006.

\_\_\_\_\_  
SIDNEY A. KATZ, MAYOR and  
President of the Council

THIS IS TO CERTIFY that the foregoing  
Resolution was adopted by the City Council,  
in public meeting assembled, on the 1st  
day of May, 2006.

\_\_\_\_\_  
David B. Humpton, City Manager